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## INFORMATION REPORT

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1. From September 1945 to November 1947, the only legal tender in North Korea was the occupation currency distributed by the Soviet forces. In November 1947, this currency was exchanged for the so-called "red" won, which has continued in use ever since. The change-over was effected, without previous announcement, in the following manner: one morning, all stores were ordered to close and posters were put up throughout Pyongyang stating that all sales and purchases were prohibited for the next ten days, during which time currency exchange would be handled at the Central Bank of North Korea, and that the rate of exchange would be full value for the first one thousand won and a stated proportional devaluation for everything in excess of the amount.
2. In spite of this regulation, Vneshtorg ordered Churin and Company\* to open as usual, and all merchandise was increased in price approximately sixty to seventy percent. As a result, the public, anxious to salvage what was possible from their cash savings, bought everything available at Churin, which was the only store open during the ten day moratorium period. Churin and Company worked to capacity and made a profit of over ten million won.
3. Both during and after the Soviet occupation of North Korea, rubles were very scarce there. The use of the ruble was prohibited in Korea, and even on the black market there were few available. The official exchange rate varied from one to fourteen won per ruble,\*\* and the black market rate, if any were for sale, was ten or eleven won per ruble, usually lower than the official rate. This was still true in September 1950.

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Comment. For a previous account of Churin profit-making,

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Comment. The official rate for rubles and dollars has been about four rubles per dollar for some time.

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